

LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into this 21st day of June, ~~2012~~ <sup>2013</sup>, by and between **State Street Church United Church of Christ** ("Landlord"), a Maine not-for-profit corporation, having an office at 159 State Street, Portland, ME 04101, and **The Children's Nursery School** ("Tenant"), a Maine not-for-profit organization, with a mailing address of PO Box 8086, Portland, ME 04104.

WITNESSETH:

1. **Leased Premises.** For the rent and term and upon the terms, conditions, limitations and provisions hereinafter set forth, Landlord leases to Tenant and Tenant hires from Landlord a portion of the property owned by the Landlord located at 159 State Street in Portland, Maine, which portion is more particularly described on Schedule A attached hereto and made a part hereof.
2. **Term and Duration.** The term of this lease shall be twenty-four (24) months, commencing on July 1, 2013, and ending on June 30, 2015. Prior to the expiration date of the Lease, Tenant may extend the Lease for an additional two-year period, commencing on July 1, 2015, and extending to June 30, 2017, by providing the Landlord with prior written notice of its intention to extend said lease at least 90 days prior to expiration, at a rental rate to be determined by mutual agreement of the parties, but not less than the rate established in the second year of this lease.
3. **Rent and Additional Rent.** The Rent is payable in advance on the first day of each month to the Landlord at 159 State Street, Portland, ME 04101. Tenant agrees to pay the Landlord rent as follows.
  - Year one – July 1, 2013 to June 30, 2014, the Rent shall be **Nine Hundred Dollars (\$900) per month.**
  - Year two – July 1, 2014 to June 30, 2015, the Rent shall be **Nine Hundred Twenty-five Dollars (\$925) per month.**
4. **Taxes, Utilities, and Operating Expenses.** During the term of the lease, the Landlord agrees to pay:
  - a. The cost of all utilities, except telephone, used or consumed on the Premises, including, but not limited to, electricity, water, sewerage, and heat. The Landlord shall, at its expense, regularly maintain the heating, plumbing, and electrical systems so as to maintain the same in the condition they are in at the commencement of this Lease, reasonable wear and tear excepted. In the event that the heating, plumbing, or electrical systems need to be repaired or replaced, Landlord shall do so at its expense.
  - b. All operating expenses, which, for the purposes of this Lease, shall mean the following expenses: (1) premium expense for fire, casualty and liability coverage to cover the Landlord's property; (2) all costs of utility services; (3) all costs for common area cleaning; (4) all costs of maintaining the Building (as defined on Schedule A) including the operation and repair of heating equipment and any other common building equipment, roof repairs and all other repairs, improvements and replacements that are required by law or necessary to keep the building in a well maintained condition; (5) all cost of snow and ice removal and grounds care; (6) and all other costs of the management of the building.